Reprinted
February 13, 2009

HOUSE BILL No. 1721

DIGEST OF HB 1721 (Updated February 12, 2009 2:10 pm - DI 102)

Citations Affected: IC 2-5; IC 22-4; noncode.

Synopsis: Department of workforce development. Establishes the unemployment insurance solvency advisory committee to monitor the unemployment insurance benefit fund (fund) and make recommendations to improve the solvency of the fund. Increases the taxable wage base from $7,000 to $9,000 for calendar years after 2009. Establishes an employer surcharge for 2009 that is equal to 0.3% of an employer's taxable wages for the purpose of repaying amounts borrowed from the federal government. Establishes a new fund ratio schedule and employer rate schedules for calendar years after 2009. Requires the unemployment insurance board to transfer from the special employment and training services fund (special fund) to the fund amounts in the special fund that exceed $10 million. Establishes the Hoosier Workers First training program to allocate to employers or consortiums money for incumbent worker training grants that enable workers who reside in Indiana to obtain recognizable credentials or

(Continued next page)

Effective: July 1, 2009.

Niezgodski

January 22, 2009, read first time and referred to Committee on Rules and Legislative Procedures.
January 26, 2009, reassigned to Committee on Labor and Employment.
February 10, 2009, amended, reported — Do Pass.
February 12, 2009, read second time, amended, ordered engrossed.

certifications and transferable employment skills that improve employer competitiveness. Requires the commissioner of the department of workforce development to: (1) initiate changes to eligibility and other requirements of the state's existing unemployment insurance system in order to qualify for the maximum amount available to a state under any federal economic stimulus package, unless the cost of making the changes exceeds the maximum amount available to the state as a result of making the changes; and (2) submit to the legislative council, the unemployment insurance solvency advisory committee, the speaker of the house of representatives, and the president pro tempore of the senate a report that: (A) details the commissioner's actions or decision not to act; (B) makes recommendations for necessary legislation; and (C) analyzes the fiscal impact to the fund of the changes and recommended legislation. Removes outdated language.

Reprinted
February 13, 2009

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type.~~

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~*this style type*~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

HOUSE BILL No. 1721

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 2-5-30 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

Chapter 30. Unemployment Insurance Solvency Advisory Committee

Sec. 1. As used in this chapter, "committee" refers to the unemployment insurance solvency advisory committee established by section 3 of this chapter.

Sec. 2. As used in this chapter, "fund" refers to the unemployment insurance benefit fund established by IC 22-4-26-1.

Sec. 3. The unemployment insurance solvency advisory committee is established.

Sec. 4. (a) The committee shall do all of the following:

(1) Monitor the solvency of the fund.

(2) Make recommendations of improvements to increase the solvency of the fund.

(3) Make a report annually to the legislative council

concerning the solvency of the fund. The report must be in an electronic format under IC 5-14-6.

(4) Study and make recommendations concerning approaches taken by other states to improve the solvency of unemployment insurance benefit trust funds, including the indexing of:

(A) unemployment benefits; and

(B) the taxable wage base.

(b) A committee recommendation does not take effect unless enacted by the general assembly.

Sec. 5. (a) The committee consists of the following members:

(1) Two (2) members of the house of representatives appointed by the speaker of the house of representatives. The members appointed under this subdivision may be members of the same political party.

(2) One (1) member of the house of representatives appointed by the minority leader of the house of representatives.

(3) Two (2) members appointed by the speaker of the house of representatives as follows:

(A) One (1) member who is a member of the Indiana State AFL-CIO.

(B) One (1) member who is a member of a labor organization not affiliated with the Indiana State AFL-CIO.

(4) Two (2) members of the senate appointed by the president pro tempore of the senate. The members appointed under this subdivision may be members of the same political party.

(5) One (1) member of the senate appointed by the minority leader of the senate.

(6) Two (2) members appointed by the president pro tempore of the senate as follows:

(A) One (1) member representing large employers in the state.

(B) One (1) member representing small employers in the state.

(7) The commissioner, or the commissioner's designee, who serves as an ex-officio nonvoting member.

(b) If a vacancy on the committee occurs, the person who appointed the member whose position is vacant shall appoint an individual to fill the vacancy using the criteria in subsection (a).

(c) The speaker of the house of representatives shall appoint one (1) of the members appointed by the speaker as a cochair of the

committee. The president pro tempore of the senate shall appoint one (1) of the members appointed by the president as a cochair of the committee.

Sec. 6. (a) The legislative services agency shall provide administrative support for the committee. At the request of the legislative services agency, the department of workforce development established by IC 22-4.1-2-1 shall assign staff to provide research and other support to assist the legislative services agency in providing administrative support to the committee.

(b) There is annually appropriated to the legislative services agency from the state general fund money necessary for the operation of the committee.

Sec. 7. Six (6) committee members constitute a quorum. The affirmative votes of at least six (6) committee members are necessary for the committee to take official action.

Sec. 8. The committee shall meet at the call of both cochairs and at other times as the committee considers necessary.

Sec. 9. (a) Each member of the committee who is not a state employee or is not a member of the general assembly is entitled to the following:

(1) The salary per diem provided under IC 4-10-11-2.1(b).

(2) Reimbursement for traveling expenses as provided under IC 4-13-1-4.

(3) Other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(b) Each member of the committee who is a state employee but not a member of the general assembly is entitled to the following:

(1) Reimbursement for traveling expenses as provided under IC 4-13-1-4.

(2) Other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(c) Each member of the committee who is a member of the general assembly is entitled to the same:

(1) per diem;

(2) mileage; and

(3) travel allowances;

paid to legislative members of interim study committees established by the legislative council.

SECTION 2. IC 22-4-4-2, AS AMENDED BY P.L.98-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) Except as otherwise provided in this section, "wages" means all remuneration as defined in section 1 of this chapter paid to an individual by an employer, remuneration received as tips or gratuities in accordance with Sections 3301 and 3102 et seq. of the Internal Revenue Code, and includes all remuneration considered as wages under Sections 3301 and 3102 et seq. of the Internal Revenue Code. However, the term shall not include any amounts paid as compensation for services specifically excluded by IC 22-4-8-3 or IC 22-4-8-3.5 from the definition of employment as defined in IC 22-4-8-1 and IC 22-4-8-2. The term shall include, but not be limited to, any payments made by an employer to an employee or former employee, under order of the National Labor Relations Board, or a successor thereto, or agency named to perform the duties thereof, as additional pay, back pay, or for loss of employment, or any such payments made in accordance with an agreement made and entered into by an employer, a union, and the National Labor Relations Board.

(b) The term "wages" shall not include the following:

(1) That part of remuneration which, after remuneration equal to:

(A) seven thousand dollars ($7,000), has been paid in a calendar year to an individual by an employer or ~~his~~ **the employer's** predecessor with respect to employment during any calendar year ~~subsequent to~~ **that begins after** December 31, 1982, **and before January 1, 2010; or**

(B) nine thousand dollars ($9,000), has been paid in a calendar year to an individual by an employer or the employer's predecessor for employment during a calendar year that begins after December 31, 2009;

unless that part of the remuneration is subject to a tax under a federal law imposing a tax against which credit may be taken for contributions required to be paid into a state unemployment fund. For the purposes of this subdivision, the term "employment" shall include service constituting employment under any employment security law of any state or of the federal government. However, nothing in this subdivision shall be taken as an approval or disapproval of any related federal legislation.

(2) The amount of any payment (including any amount paid by an employer for insurance or annuities or into a fund to provide for any such payment) made to, or on behalf of, an individual or any of the individual's dependents under a plan or system established by an employer which makes provision generally for individuals

performing service for it (or for such individuals generally and their dependents) or for a class or classes of such individuals (or for a class or classes of such individuals and their dependents) on account of:

(A) retirement;

(B) sickness or accident disability;

(C) medical or hospitalization expenses in connection with sickness or accident disability; or

(D) death.

(3) The amount of any payment made by an employer to an individual performing service for it (including any amount paid by an employer for insurance or annuities or into a fund to provide for any such payment) on account of retirement.

(4) The amount of any payment on account of sickness or accident disability, or medical or hospitalization expenses in connection with sickness or accident disability made by an employer to, or on behalf of, an individual performing services for it and after the expiration of six (6) calendar months following the last calendar month in which the individual performed services for such employer.

(5) The amount of any payment made by an employer to, or on behalf of, an individual performing services for it or to the individual's beneficiary:

(A) from or to a trust exempt from tax under Section 401(a) of the Internal Revenue Code at the time of such payment unless such payment is made to an individual performing services for the trust as remuneration for such services and not as a beneficiary of the trust; or

(B) under or to an annuity plan which, at the time of such payments, meets the requirements of Section 401(a)(3), 401(a)(4), 401(a)(5), and 401(a)(6) of the Internal Revenue Code.

(6) Remuneration paid in any medium other than cash to an individual for service not in the course of the employer's trade or business.

(7) The amount of any payment (other than vacation or sick pay) made to an individual after the month in which the individual attains the age of sixty-five (65) if the individual did not perform services for the employer in the period for which such payment is made.

(8) The payment by an employer (without deduction from the remuneration of the employee) of the tax imposed upon an

employee under Sections 3101 et seq. of the Internal Revenue Code (Federal Insurance Contributions Act).

SECTION 3. IC 22-4-10-3, AS AMENDED BY P.L.108-2006, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. Except as provided in section 1(b) through 1(e) of this chapter, each employer shall pay contributions equal to five and six-tenths percent (5.6%) of wages, except as otherwise provided in IC 22-4-11-2, IC 22-4-11-3, **IC 22-4-11-3.5,** IC 22-4-11.5, and IC 22-4-37-3.

SECTION 4. IC 22-4-10-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 4.5. (a) This section applies to an employer:**

(1) that is subject to this article for wages paid during calendar year 2009; and

(2) whose contribution rate for calendar year 2009 was determined under this chapter, IC 22-4-11, IC 22-4-11.5, or IC 22-4-37-3.

(b) In addition to the contributions determined under this chapter or IC 22-4-11.5, each employer shall pay an unemployment insurance surcharge that is computed by multiplying the employer's taxable wages for calendar year 2009 by three-tenths of one percent (0.3%).

(c) The unemployment insurance surcharge computed under subsection (b) is payable to the department in two (2) equal installments as follows:

(1) The first installment is payable not later than the last business day of the second calendar quarter of 2009.

(2) The second installment is payable not later than the last business day of the third calendar quarter of 2009.

(d) The department shall:

(1) use the amounts received under this section to repay the advances, including interest on the advances, made to the state from the federal unemployment account in the federal unemployment trust fund under 42 U.S.C. 1321; and

(2) deposit the remaining amounts in the unemployment insurance benefit fund established under IC 22-4-26.

(e) The amounts paid under this section do not affect and may not be charged to the experience account of any employer.

(f) This section expires on January 1, 2010.

SECTION 5. IC 22-4-11-2, AS AMENDED BY P.L.108-2006, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) Except as provided in IC 22-4-11.5, the department shall for each year determine the contribution rate applicable to each employer.

(b) The balance shall include contributions with respect to the period ending on the computation date and actually paid on or before July 31 immediately following the computation date and benefits actually paid on or before the computation date and shall also include any voluntary payments made in accordance with IC 22-4-10-5:

(1) for each calendar year, an employer's rate shall be determined in accordance with the rate schedules in section 3, ~~or~~ 3.3, **or 3.5** of this chapter; and

(2) for each calendar year, an employer's rate shall be two and seven-tenths percent (2.7%), except as otherwise provided in IC 22-4-37-3, unless and until:

(A) the employer has been subject to this article throughout the thirty-six (36) consecutive calendar months immediately preceding the computation date; and

(B) there has been some annual payroll in each of the three (3) twelve (12) month periods immediately preceding the computation date.

(c) **This subsection applies before January 1, 2010.** In addition to the conditions and requirements set forth and provided in subsection (b)(2)(A) and (b)(2)(B), an employer's rate shall not be less than five and six-tenths percent (5.6%) unless all required contribution and wage reports have been filed within thirty-one (31) days following the computation date and all contributions, penalties, and interest due and owing by the employer or the employer's predecessors for periods prior to and including the computation date have been paid:

(1) within thirty-one (31) days following the computation date; or

(2) within ten (10) days after the department has given the employer a written notice by registered mail to the employer's last known address of:

(A) the delinquency; or

(B) failure to file the reports;

whichever is the later date.

The board or the board's designee may waive the imposition of rates under this subsection if the board finds the employer's failure to meet the deadlines was for excusable cause. The department shall give written notice to the employer before this additional condition or requirement shall apply.

(d) This subsection applies after December 31, 2009. In addition to the conditions and requirements set forth and provided in subsection (b)(2)(A) and (b)(2)(B), an employer's rate shall not be

less than eight and two-tenths percent (8.2%) unless all required contribution and wage reports have been filed within thirty-one (31) days following the computation date and all contributions, penalties, and interest due and owing by the employer or the employer's predecessors for periods prior to and including the computation date have been paid:

(1) within thirty-one (31) days following the computation date; or

(2) within ten (10) days after the department has given the employer a written notice by registered mail to the employer's last known address of:

(A) the delinquency; or

(B) failure to file the reports;

whichever is the later date.

The board or the board's designee may waive the imposition of rates under this subsection if the board finds the employer's failure to meet the deadlines was for excusable cause. The department shall give written notice to the employer before this additional condition or requirement shall apply.

~~(d)~~ **(e)** However, if the employer is the state or a political subdivision of the state or any instrumentality of a state or a political subdivision, or any instrumentality which is wholly owned by the state and one (1) or more other states or political subdivisions, the employer may contribute at a rate of:

(1) one percent (1%), **before January 1, 2010; or**

(2) one and two-tenths percent (1.2%), after December 31, 2009;

until it has been subject to this article throughout the thirty-six (36) consecutive calendar months immediately preceding the computation date.

~~(e)~~ **(f)** On the computation date every employer who had taxable wages in the previous calendar year shall have the employer's experience account charged with the amount determined under the following formula:

STEP ONE: Divide:

(A) the employer's taxable wages for the preceding calendar year; by

(B) the total taxable wages for the preceding calendar year.

STEP TWO: Multiply the quotient determined under STEP ONE by the total amount of benefits charged to the fund under section 1 of this chapter.

~~(f)~~ **(g)** One (1) percentage point of the rate imposed under subsection (c) or the amount of the employer's payment that is attributable to the increase in the contribution rate, whichever is less, shall be imposed as a penalty that is due and shall be deposited upon collection into the special employment and training services fund established under IC 22-4-25-1. The remainder of the contributions paid by an employer pursuant to the maximum rate shall be:

(1) considered a contribution for the purposes of this article; and

(2) deposited in the unemployment insurance benefit fund established under IC 22-4-26.

SECTION 6. IC 22-4-11-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) The applicable schedule of rates for ~~the~~ calendar ~~year 1983 and thereafter~~ **years before January 1, 2010,** shall be determined by the ratio resulting when the balance in the fund as of the determination date is divided by the total payroll of all subject employers for the immediately preceding calendar year. Schedule A, B, C, or D, appearing on the line opposite the fund ratio in the schedule below, shall be applicable in determining and assigning each employer's contribution rate for the calendar year immediately following the determination date. For the purposes of this subsection, "total payroll" means total remuneration reported by all contributing employers as required by this article and does not include the total payroll of any employer who elected to become liable for payments in lieu of contributions (as defined in IC 22-4-2-32). For the purposes of this subsection, "subject employers" means those employers who are subject to contribution.

FUND RATIO SCHEDULE

When the Fund Ratio Is:

As Much As	But Less Than	Applicable Schedule
	1.0%	A
1.0%	1.5%	B
1.5%	2.25%	C
2.25%		D

~~(b) For calendar years before 2002, if the conditions and requirements of section 2 of this chapter are met, the rate of contributions shall be determined and assigned, with respect to each calendar year, to employers whose accounts have a credit balance and who are eligible therefor according to each employer's credit reserve ratio. Each employer shall be assigned the contribution rate appearing in the applicable schedule A, B, C, or D on the line opposite his credit reserve ratio as set forth in the rate schedule below:~~

~~RATE SCHEDULE FOR ACCOUNTS~~

~~WITH CREDIT BALANCES~~

~~When the Credit Reserve Ratio Is:~~

~~As Much As~~	~~But Less Than~~	~~Rate Schedules (%)~~				
		~~A~~	~~B~~	~~C~~	~~D~~	~~E~~
~~3.0~~		~~1.2~~	~~0.2~~	~~0.2~~	~~0.2~~	~~0.15~~
~~2.8~~	~~3.0~~	~~1.4~~	~~0.4~~	~~0.2~~	~~0.2~~	~~0.15~~
~~2.6~~	~~2.8~~	~~1.6~~	~~0.6~~	~~0.2~~	~~0.2~~	~~0.15~~
~~2.4~~	~~2.6~~	~~1.8~~	~~0.8~~	~~0.4~~	~~0.2~~	~~0.2~~
~~2.2~~	~~2.4~~	~~2.0~~	~~1.0~~	~~0.6~~	~~0.2~~	~~0.2~~
~~2.0~~	~~2.2~~	~~2.2~~	~~1.2~~	~~0.8~~	~~0.4~~	~~0.4~~
~~1.8~~	~~2.0~~	~~2.4~~	~~1.4~~	~~1.0~~	~~0.6~~	~~0.6~~
~~1.6~~	~~1.8~~	~~2.6~~	~~1.6~~	~~1.2~~	~~0.8~~	~~0.8~~
~~1.4~~	~~1.6~~	~~2.8~~	~~1.8~~	~~1.4~~	~~1.0~~	~~1.0~~
~~1.2~~	~~1.4~~	~~3.0~~	~~2.0~~	~~1.6~~	~~1.2~~	~~1.2~~
~~1.0~~	~~1.2~~	~~3.2~~	~~2.2~~	~~1.8~~	~~1.4~~	~~1.4~~
~~0.8~~	~~1.0~~	~~3.4~~	~~2.4~~	~~2.0~~	~~1.6~~	~~1.6~~
~~0.6~~	~~0.8~~	~~3.6~~	~~2.6~~	~~2.2~~	~~1.8~~	~~1.8~~
~~0.4~~	~~0.6~~	~~3.8~~	~~2.8~~	~~2.4~~	~~2.0~~	~~2.0~~
~~0.2~~	~~0.4~~	~~4.0~~	~~3.0~~	~~2.6~~	~~2.2~~	~~2.2~~
~~0~~	~~0.2~~	~~4.2~~	~~3.2~~	~~2.8~~	~~2.4~~	~~2.4~~

~~(c) Each employer whose account as of any computation date occurring on and after June 30, 1984, shows a debit balance shall be assigned the rate of contributions appearing on the line opposite his debit ratio as set forth in the following rate schedule for accounts with debit balances:~~

~~RATE SCHEDULE FOR ACCOUNTS~~
~~WITH DEBIT BALANCES~~

~~When the Debit Reserve Ratio Is:~~

~~As Much As~~	But ~~Less Than~~	~~Rate Schedules (%)~~				
		~~A~~	~~B~~	~~C~~	~~D~~	~~E~~
	~~1.5~~	~~4.5~~	~~4.4~~	~~4.3~~	~~4.2~~	~~3.6~~
~~1.5~~	~~3.0~~	~~4.8~~	~~4.7~~	~~4.6~~	~~4.5~~	~~3.8~~
~~3.0~~	~~4.5~~	~~5.1~~	~~5.0~~	~~4.9~~	~~4.8~~	~~4.1~~
~~4.5~~	~~6.0~~	~~5.4~~	~~5.3~~	~~5.2~~	~~5.1~~	~~4.4~~
~~6.0~~		~~5.7~~	~~5.6~~	~~5.5~~	~~5.4~~	~~5.4~~

(b) The applicable schedule of rates for calendar years after December 31, 2009, shall be determined by the ratio resulting when the balance in the fund as of the determination date is divided by the total payroll of all subject employers for the immediately preceding calendar year. Except as provided in subsection (c),

Schedules A through I appearing on the line opposite the fund ratio in the schedule below shall be applicable in determining and assigning each employer's contribution rate for the calendar year immediately following the determination date. For purposes of this subsection, "total payroll" means total remuneration reported by all contributing employers as required by this article and does not include the total payroll of any employer who elected to become liable for payments in lieu of contributions (as defined in IC 22-4-2-32). For purposes of this subsection, "subject employers" means those employers who are subject to contribution.

FUND RATIO SCHEDULE

When the Fund Ratio Is:

As Much As	**But Less Than**	**Applicable Schedule**
	0.2%	**A**
0.2%	**0.4%**	**B**
0.4%	**0.6%**	**C**
0.6%	**0.8%**	**D**
0.8%	**1.0%**	**E**
1.0%	**1.2%**	**F**
1.2%	**1.4%**	**G**
1.4%	**1.6%**	**H**
1.6%		**I**

(c) If the balance in the fund as of the determination date in any calendar year is less than three hundred fifty million dollars ($350,000,000), Schedule A shall apply in determining and assigning each employer's contribution rate for the calendar year immediately following the determination date.

(d) Any adjustment in the amount charged to any employer's experience account made subsequent to the assignment of rates of contributions for any calendar year shall not operate to alter the amount charged to the experience accounts of any other base-period employers.

SECTION 7. IC 22-4-11-3.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3.3. (a) For calendar years after 2001 **and before 2010,** if the conditions of section 2 of this chapter are met, the rate of contributions shall be determined and assigned, with respect to each calendar year, to employers whose accounts have a credit balance and who are eligible therefore according to each employer's credit reserve ratio. Each employer shall be assigned the contribution rate appearing in the applicable schedule A, B, C, D, or E on the line opposite the employer's credit reserve ratio as set forth in the rate schedule below:

RATE SCHEDULE FOR ACCOUNTS
WITH CREDIT BALANCES

When the Credit Reserve Ratio Is:

As Much As	But Less Than	Rate Schedules (%) A	B	C	D	E
3.00		1.10	0.10	0.10	0.10	0.15
2.80	3.00	1.30	0.30	0.10	0.10	0.15
2.60	2.80	1.50	0.50	0.10	0.10	0.15
2.40	2.60	1.70	0.70	0.30	0.10	0.20
2.20	2.40	1.90	0.90	0.50	0.10	0.20
2.00	2.20	2.10	1.10	0.70	0.30	0.40
1.80	2.00	2.30	1.30	0.90	0.50	0.60
1.60	1.80	2.50	1.50	1.10	0.70	0.80
1.40	1.60	2.70	1.70	1.30	0.90	1.00
1.20	1.40	2.90	1.90	1.50	1.10	1.20
1.00	1.20	3.10	2.10	1.70	1.30	1.40
0.80	1.00	3.30	2.30	1.90	1.50	1.60
0.60	0.80	3.50	2.50	2.10	1.70	1.80
0.40	0.60	3.70	2.70	2.30	1.90	2.00
0.20	0.40	3.90	2.90	2.50	2.10	2.20
0.00	0.20	4.10	3.10	2.70	2.30	2.40

(b) For calendar years after 2001 **and before 2010,** if the conditions of section 2 of this chapter are met, the rate of contributions shall be determined and assigned, with respect to each calendar year, to employers whose accounts have a debit balance and who are eligible therefore according to each employer's debit reserve ratio. Each employer shall be assigned the contribution rate appearing in the applicable schedule A, B, C, D, or E on the line opposite the employer's debit reserve ratio as set forth in the rate schedule below:

RATE SCHEDULE FOR ACCOUNTS
WITH DEBIT BALANCES

When the Debit Reserve Ratio Is:

As Much As	But Less Than	Rate Schedules (%) A	B	C	D	E
	1.50	4.40	4.30	4.20	4.10	5.40
1.50	3.00	4.70	4.60	4.50	4.40	5.40
3.00	4.50	5.00	4.90	4.70	4.70	5.40
4.50	6.00	5.30	5.20	5.10	5.00	5.40
6.00		5.60	5.50	5.40	5.40	5.40

SECTION 8. IC 22-4-11-3.5 IS ADDED TO THE INDIANA CODE

AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 3.5. (a) For calendar years after 2009, if the conditions of section 2 of this chapter are met, the rate of contributions shall be determined and assigned, with respect to each calendar year, to employers whose accounts have a credit balance and who are eligible therefore according to each employer's credit reserve ratio. Each employer shall be assigned the contribution rate appearing in the applicable schedule A through I on the line opposite the employer's credit reserve ratio as set forth in the rate schedule below:**

RATE SCHEDULE FOR ACCOUNTS
WITH CREDIT BALANCES

When the Credit Reserve Ratio Is:

As Much As	But Less Than	Rate Schedules (%) A	B	C	D	E
3.00		1.30	1.20	1.10	1.00	0.90
2.80	3.00	1.60	1.50	1.40	1.30	1.20
2.60	2.80	1.80	1.70	1.60	1.40	1.30
2.40	2.60	2.00	1.90	1.70	1.60	1.50
2.20	2.40	2.30	2.10	2.00	1.80	1.70
2.00	2.20	2.50	2.30	2.20	2.00	1.80
1.80	2.00	2.80	2.60	2.40	2.20	2.00
1.60	1.80	3.00	2.80	2.60	2.40	2.20
1.40	1.60	3.20	3.00	2.80	2.60	2.30
1.20	1.40	3.50	3.30	3.00	2.80	2.60
1.00	1.20	3.70	3.40	3.20	3.00	2.70
0.80	1.00	4.00	3.70	3.50	3.20	2.90
0.60	0.80	4.20	3.90	3.70	3.40	3.10
0.40	0.60	4.40	4.10	3.80	3.50	3.20
0.20	0.40	4.70	4.40	4.10	3.80	3.40
0.00	0.20	4.90	4.60	4.30	3.90	3.60

RATE SCHEDULE FOR ACCOUNTS
WITH CREDIT BALANCES

When the Credit Reserve Ratio Is:

As Much As	But Less Than	Rate Schedules (%) F	G	H	I
3.00		0.80	0.70	0.60	0.10
2.80	3.00	1.10	1.00	0.90	0.10
2.60	2.80	1.20	1.10	1.00	0.10
2.40	2.60	1.30	1.20	1.00	0.10

2.20	**2.40**	**1.50**	**1.30**	**1.10**	**0.10**
2.00	**2.20**	**1.60**	**1.40**	**1.20**	**0.10**
1.80	**2.00**	**1.80**	**1.60**	**1.40**	**0.20**
1.60	**1.80**	**2.00**	**1.80**	**1.60**	**0.20**
1.40	**1.60**	**2.10**	**1.90**	**1.70**	**0.20**
1.20	**1.40**	**2.30**	**2.00**	**1.70**	**0.20**
1.00	**1.20**	**2.40**	**2.10**	**1.80**	**0.20**
0.80	**1.00**	**2.60**	**2.30**	**2.00**	**0.20**
0.60	**0.80**	**2.80**	**2.50**	**2.20**	**0.20**
0.40	**0.60**	**2.90**	**2.60**	**2.30**	**0.20**
0.20	**0.40**	**3.10**	**2.80**	**2.40**	**0.30**
0.00	**0.20**	**3.20**	**2.80**	**2.40**	**0.30**

(b) For calendar years after 2009, if the conditions of section 2 of this chapter are met, the rate of contributions shall be determined and assigned, with respect to each calendar year, to employers whose accounts have a debit balance and who are eligible therefore according to each employer's debit reserve ratio. Each employer shall be assigned the contribution rate appearing in the applicable schedule A through I on the line opposite the employer's debit reserve ratio as set forth in the rate schedule below:

RATE SCHEDULE FOR ACCOUNTS
WITH DEBIT BALANCES

When the Debit Reserve Ratio Is:

As Much As	**But Less Than**	**Rate Schedules (%) A**	**B**	**C**	**D**	**E**
0.00	**1.50**	**5.30**	**4.90**	**4.60**	**4.20**	**3.90**
1.50	**3.00**	**5.60**	**5.20**	**4.90**	**4.50**	**4.10**
3.00	**4.50**	**6.00**	**5.60**	**5.20**	**4.80**	**4.40**
4.50	**6.00**	**6.40**	**6.00**	**5.60**	**5.10**	**4.70**
6.00	**8.00**	**6.70**	**6.20**	**5.80**	**5.40**	**4.90**
8.00	**10.00**	**7.10**	**6.60**	**6.20**	**5.70**	**5.20**
10.00	**12.00**	**7.40**	**6.90**	**6.40**	**5.90**	**5.40**
12.00	**14.00**	**7.80**	**7.30**	**6.80**	**6.20**	**5.70**
14.00		**8.20**	**7.60**	**7.10**	**6.60**	**6.00**

RATE SCHEDULE FOR ACCOUNTS
WITH DEBIT BALANCES

When the Debit Reserve Ratio Is:

As Much As	**But Less Than**	**Rate Schedules (%) F**	**G**	**H**	**I**

0.00	**1.50**	**3.50**	**3.10**	**2.70**	**0.30**
1.50	**3.00**	**3.70**	**3.30**	**2.90**	**0.30**
3.00	**4.50**	**4.00**	**3.60**	**3.10**	**0.30**
4.50	**6.00**	**4.20**	**3.70**	**3.20**	**0.30**
6.00	**8.00**	**4.40**	**3.90**	**3.40**	**0.40**
8.00	**10.00**	**4.70**	**4.20**	**3.70**	**0.40**
10.00	**12.00**	**4.90**	**4.40**	**3.80**	**0.40**
12.00	**14.00**	**5.10**	**4.50**	**3.90**	**0.40**
14.00		**5.40**	**4.80**	**4.20**	**0.50**

SECTION 9. IC 22-4-25-1, AS AMENDED BY P.L.138-2008, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) There is created in the state treasury a special fund to be known as the special employment and training services fund. All interest on delinquent contributions and penalties collected under this article, together with any voluntary contributions tendered as a contribution to this fund, shall be paid into this fund. The money shall not be expended or available for expenditure in any manner which would permit their substitution for (or a corresponding reduction in) federal funds which would in the absence of said money be available to finance expenditures for the administration of this article, but nothing in this section shall prevent said money from being used as a revolving fund to cover expenditures necessary and proper under the law for which federal funds have been duly requested but not yet received, subject to the charging of such expenditures against such funds when received. The money in this fund shall be used by the board for the payment of refunds of interest on delinquent contributions and penalties so collected, for the payment of costs of administration which are found not to have been properly and validly chargeable against federal grants or other funds received for or in the employment and training services administration fund, on and after July 1, 1945. Such money shall be available either to satisfy the obligations incurred by the board directly, or by transfer by the board of the required amount from the special employment and training services fund to the employment and training services administration fund. The board shall order the transfer of such funds or the payment of any such obligation or expenditure and such funds shall be paid by the treasurer of state on requisition drawn by the board directing the auditor of state to issue the auditor's warrant therefor. Any such warrant shall be drawn by the state auditor based upon vouchers certified by the board or the commissioner. The money in this fund is hereby specifically made available to replace within a reasonable time any money received by this state pursuant to 42 U.S.C. 502, as amended, which, because of

any action or contingency, has been lost or has been expended for purposes other than or in amounts in excess of those approved by the bureau of employment security. The money in this fund shall be continuously available to the board for expenditures in accordance with the provisions of this section and shall not lapse at any time or be transferred to any other fund, except as provided in this article. Nothing in this section shall be construed to limit, alter, or amend the liability of the state assumed and created by IC 22-4-28, or to change the procedure prescribed in IC 22-4-28 for the satisfaction of such liability, except to the extent that such liability may be satisfied by and out of the funds of such special employment and training services fund created by this section.

(b) Whenever the balance in the special employment and training services fund ~~is deemed excessive by the board,~~ **exceeds ten million dollars ($10,000,000),** the board shall order payment **of the amount that exceeds ten million dollars ($10,000,000)** into the unemployment insurance benefit fund. ~~of the amount of the special employment and training services fund deemed to be excessive.~~

(c) Subject to the approval of the board and the availability of funds, on July 1, 2008, and each subsequent July 1, the commissioner shall release:

(1) one million dollars ($1,000,000) to the state educational institution established under IC 21-25-2-1 for training provided to participants in apprenticeship programs approved by the United States Department of Labor, Bureau of Apprenticeship and Training;

(2) four million dollars ($4,000,000) to the state educational institution instituted and incorporated under IC 21-22-2-1 for training provided to participants in joint labor and management apprenticeship programs approved by the United States Department of Labor, Bureau of Apprenticeship and Training; and

(3) two hundred fifty thousand dollars ($250,000) for journeyman upgrade training to each of the state educational institutions described in subdivisions (1) and (2).

Each state educational institution described in this subsection is entitled to keep ten percent (10%) of the funds released under this subsection for the payment of costs of administering the funds. On each June 30 following the release of the funds, any funds released under this subsection not used by the state educational institutions under this subsection shall be returned to the special employment and training services fund.

SECTION 10. IC 22-4-37-3, AS AMENDED BY P.L.108-2006, SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) Should:

(1) the Congress of the United States amend, repeal, or authorize the implementation of a demonstration project under 29 U.S.C. 49 et seq., 26 U.S.C. 3301 through 3311, 42 U.S.C. 301 et seq., or 26 U.S.C. 3101 through 3504, or any statute or statutes supplemental to or in lieu thereof or any part or parts of said statutes, or should any or all of said statutes or any part or parts thereof be held invalid, to the end and with such effect that appropriations of funds by the said Congress and grants thereof to the state for the payment of costs of administration of the department are or no longer shall be available for such purposes;

(2) the primary responsibility for the administration of 26 U.S.C. 3301 through 26 U.S.C. 3311 be transferred to the state as a demonstration project authorized by Congress; or

(3) employers in Indiana subject to the payment of tax under 26 U.S.C. 3301 through 3311 be granted full credit upon such tax for contributions or taxes paid to the department;

then, beginning with the effective date of such change in liability for payment of such federal tax and for each year thereafter, the normal contribution rate under this article shall be established by the department and may not exceed three and one-half percent (3.5%) per year of each employer's payroll subject to contribution. With respect to each employer having a rate of contribution for such year pursuant to terms of IC 22-4-11-2(b)(2)(A), IC 22-4-11-2(b)(2)(B), IC 22-4-11-2(c), IC 22-4-11-3, IC 22-4-11-3.3, **IC 22-4-11-3.5,** and IC 22-4-11.5, to the rate of contribution, as determined for such year in which such change occurs, shall be added not more than eight-tenths percent (0.8%) as prescribed by the department.

(b) The amount of the excess of tax for which such employer is or may become liable by reason of this section over the amount which such employer would pay or become liable for except for the provisions of this section, together with any interest or earnings thereon, shall be paid and transferred into the employment and training services administration fund to be disbursed and paid out under the same conditions and for the same purposes as is other money provided to be paid into such fund. If the commissioner shall determine that as of January 1 of any year there is an excess in said fund over the money and funds required to be disbursed therefrom for the purposes thereof for such year, then and in such cases an amount equal to such excess, as determined by the commissioner, shall be transferred to and become part of the unemployment insurance benefit fund, and such funds shall be deemed to be and are hereby appropriated for the purposes set out in this section.

SECTION 11. IC 22-4-43 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

Chapter 43. Hoosier Workers First Training Program

Sec. 1. As used in this chapter, "fund" refers to the Hoosier Workers First training fund established by section 5 of this chapter.

Sec. 2. The Hoosier Workers First training program is established for the following purposes:

(1) To improve manufacturing productivity levels in Indiana.

(2) To enable firms to become competitive by making workers more productive through training.

(3) To create a competitive economy by creating and retaining jobs.

(4) To encourage the increased training necessary because of an aging workforce.

(5) To avoid potential payment of unemployment compensation by providing workers with enhanced job skills.

Sec. 3. The department shall administer the Hoosier Workers First training program.

Sec. 4. For each state fiscal year, the department shall prepare an annual report on the use of the fund as a part of the report required by IC 22-4-18-7.

Sec. 5. (a) The Hoosier Workers First training fund is established to do the following:

(1) Administer the costs of the Hoosier Workers First training program established by section 2 of this chapter.

(2) Undertake any program or activity that furthers the purposes of this chapter.

(b) The money in the fund shall be allocated to employers or consortiums for worker training grants that enable workers who reside in Indiana to obtain recognizable credentials or certifications and transferable employment skills that improve employer competitiveness.

(c) Special consideration shall be given to Ivy Tech Community College (as defined in IC 21-7-13-22) to be the provider of the training funded under this chapter whenever the state educational institution:

(1) meets the identified training needs of an employer or a

consortium with an existing credentialing or certification program; and

(2) is the most cost effective provider.

(d) For the worker training grants described in subsection (b), the department shall do the following:

(1) Provide grant applications to interested employers and consortiums.

(2) Accept completed applications for the grants.

(3) Obtain all information necessary or appropriate to determine whether an applicant qualifies for a grant, including information concerning:

(A) the applicant;

(B) the training to be offered;

(C) the training provider; and

(D) the workers to be trained.

(4) Allocate the money in the fund in accordance with subsections (b) and (c).

(e) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(g) The fund consists of the following:

(1) Appropriations from the general assembly.

(2) Earnings acquired through the use of money belonging to the fund.

(3) Money deposited in the fund from any other source.

(h) Any balance in the fund does not lapse but is available continuously to the department for expenditures for the program established by this chapter.

SECTION 12. [EFFECTIVE JULY 1, 2009] **(a) As used in this SECTION, "department" refers to the department of workforce development established by IC 22-4.1-2-1.**

(b) As used in this SECTION, "fund" refers to the unemployment insurance benefit fund established under IC 22-4-26.

(c) As used in this SECTION, "committee" refers to the unemployment insurance solvency advisory committee established by IC 2-5-30-3, as added by this act.

(d) The commissioner of the department shall, not later than sixty (60) days after the effective date of any economic stimulus package law enacted by the Congress of the United States:

(1) initiate changes to eligibility and other requirements of the state's existing unemployment insurance system in order for the state to qualify for the maximum amount available under the federal economic stimulus package law, unless the cost of implementing the changes, including the negative fiscal impact on the fund, exceeds the maximum amount available to the state under the federal economic stimulus package as the result of the state making the changes; and

(2) submit in an electronic format under IC 5-14-6 to the legislative council, the committee, the speaker of the house of representatives, and the president pro tempore of the senate a report that provides the following:

(A) Details of the commissioner's actions taken, or the commissioner's decision not to initiate changes, under subdivision (1).

(B) Recommendations for any legislation necessary to modify the state's unemployment insurance system in order for the state to qualify for amounts available under the federal economic stimulus package law.

(C) An analysis of the fiscal impact to the fund of:

(i) the commissioners' actions taken, or the commissioner's decision not to initiate changes, under subdivision (1); and

(ii) the legislation recommended under clause (B), if the legislation is enacted.

(e) This SECTION expires July 1, 2011.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Labor and Employment, to which was referred House Bill 1721, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety and to make an appropriation.

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1721 as introduced.)

NIEZGODSKI, Chair

Committee Vote: yeas 9, nays 3.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1721 be amended to read as follows:

Page 20, line 4, delete "law;" and insert "**law, unless the cost of implementing the changes, including the negative fiscal impact on the fund, exceeds the maximum amount available to the state under the federal economic stimulus package as the result of the state making the changes;**".

Page 20, line 9, after "taken" insert "**, or the commissioner's decision not to initiate changes,**".

Page 20, line 16, after "taken" insert "**, or the commissioner's decision not to initiate changes,**".

(Reference is to HB 1721 as printed February 10, 2009.)

TORR